

# Social and Relationship Capital



## SDGs impacted



## Material Topics included

- Enhancing customer experience and satisfaction
- Sustainable supply chain management
- Corporate citizenship and community development
- Fair marketing and advertising

We have built strong relationship of trust with diverse stakeholders, including customers, local communities, investors, governmental bodies, distributors, and suppliers. We understand the importance of these relationships in meeting the changing needs of our diverse stakeholders. These partnerships highlight our commitment to providing high-quality services, reliable and innovative services, and responsive support, all while upholding ethical practices.



## Customers

Customers are at the heart of everything we do. We provide a differentiated network experience with best-in-class 5G connectivity, ensuring fast, reliable, and secure network performance at a competitive cost. Our customised solutions, such as Airtel Advantage, Airtel CPaaS, and Airtel IQ, continuously enhance the customer experience. Airtel Black's bundled offerings offer greater convenience for families by integrating multiple services. Additionally, our omnichannel digital experience enables consistent, intuitive interactions, leading to improved service quality and customer satisfaction.



## Value-Creation for the customers in FY 2023-24

### Network upgradation

- One of fastest 5G rollout on non-standalone network architecture
- Strengthened transport backbone by laying over 55,000 Rkms of fiber
- Successfully tested RedCap technology on 5G network to reduce device complexity, extend battery life, and deliver higher data speed

### Enhancing customer experience

- Revolutionised connectivity through affordable international roaming plan that provides seamless connectivity across the world, plus in-flight connectivity
- Introduced omnichannel cloud platform for CCaaS (Contact Center as a Service), Airtel Advantage, that enables carriers globally to send traffic anywhere in the world in a few clicks
- Airtel IoT hub enables enterprises to manage IoT devices seamlessly and create new offerings as per their needs
- Launched Xsafe, an end-to-end home surveillance solution with cloud storage and after-sales service
- Launched Entertainment-1<sup>st</sup> package, offering HD channels along with regional OTT services across India
- Launched India's first anime channel plus content partnerships to provide customers diverse content across screens

### Promoting data access

- Expanded rural coverage by deploying thousands of network sites in these areas
- Introduced Fixed Wireless Access (FWA) to deliver home internet via 5G in areas without fiber coverage

At Airtel, we recognise the importance of protecting the personal information of our customers, employees and partners. We continue to strengthen our robust data security measures and uphold the highest standards of data privacy. Our data security and privacy policies are best-in-class and are designed to protect sensitive information while adhering to applicable laws and regulations.

Our Privacy Policy governed by the Chief Information Security Officer (CISO) is overseen by the Risk Management Committee. We value customer consent

and offer options for data preferences. Our privacy controls are regularly updated to align with evolving regulations and industry standards, and we undertake audits, certifications, and vulnerability assessments to uphold data security. Real-time monitoring helps us track data movement, and any instance of non-compliance is promptly investigated.

Our Privacy Policy can be accessed at this [link](#)

## Social and Relationship Capital

### Communities

Committed to contributing to society and fostering community development as a responsible corporate, we undertake community development initiatives in alignment with our core values and purpose. Working through our philanthropic arm, Bharti Airtel Foundation (formally Bharti Foundation), and in collaboration with diverse stakeholders, our initiatives in the field of education aim to create a meaningful impact in the lives of rural children. Over the years, Bharti Airtel Foundation has also amplified its efforts towards digitalisation through collaborations to bring technology and high-quality digital content to students in rural India.

Please refer 'Corporate Social Responsibility' section for detailed information on Airtel's initiatives for social betterment on page 64.



In addition, the Company continues to engage and communicate with investors via annual general meeting(s); quarterly earning conference calls and investor/analyst meets; periodic updates on financial performance; proactive disseminations; strong investor support and communication channel; and a well-governed and structured investor grievance framework.

Refer to 'Financial Capital' for detailed information on our prudent financial management on page 84.



### Government and Regulators

Airtel Business has forged a strategic partnership with Advanced Metering Infrastructure Service Providers (AMISPs) under the Ministry of Power for the implementation of the Revamped Distribution Sector Scheme (RDSS). Our IoT solutions have helped us station ourselves at the forefront of the power sector as providers of prepaid smart metering solutions, that will enhance the quality and reliability of electricity supply. The RDSS initiative, launched by the Government of India, aims to establish a financially sustainable and operationally efficient power distribution sector.

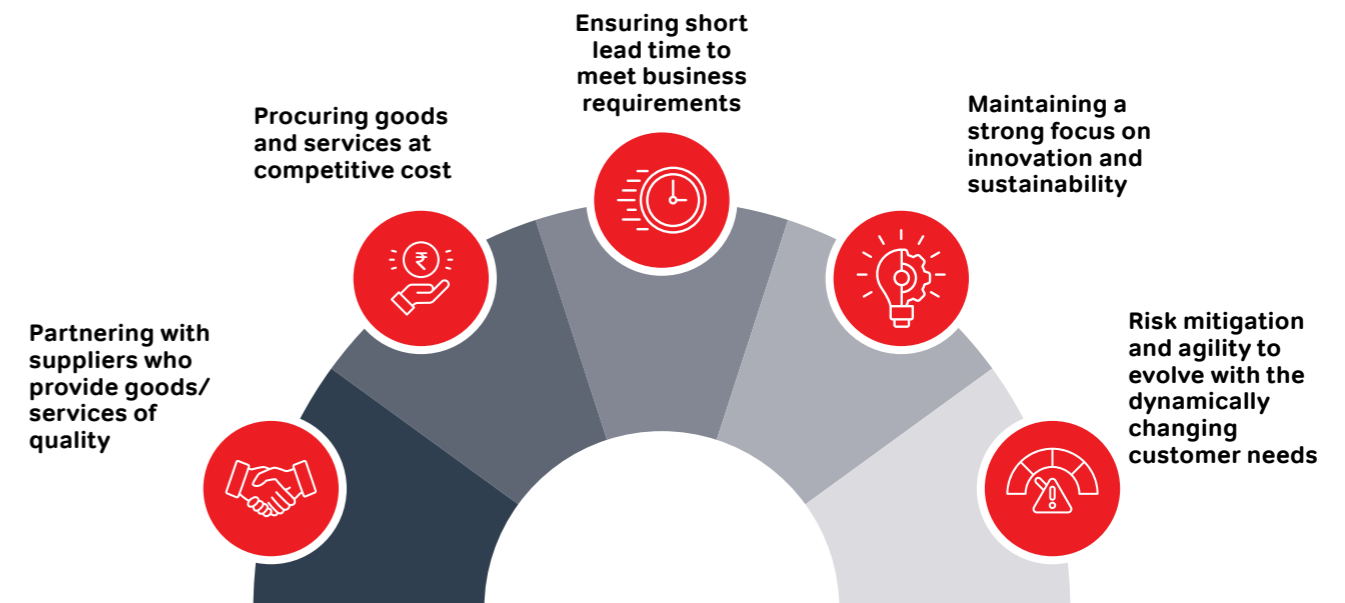
Power utilities are adopting more effective methods for the collection, management and use of consumer data, which enables them to facilitate quicker customer payments, identify and rectify faults, and minimise service interruptions. Among the various challenges faced by the utilities, data acquisition and system uptime are paramount. Our customised IoT solutions are crafted to support utilities in expediting automation, increasing productivity, and improving operational efficiency. With our robust connectivity options (5G, NB-IoT, 4G and 2G), a powerful connectivity management platform, and cloud infrastructure, we are addressing these challenges and helping transform power distribution.

### Suppliers

Our suppliers are a crucial part of our value chain and enable us to deliver cost-effective, high-quality products and services that underpin our value proposition to our stakeholders. We prioritise strong partnerships with suppliers who share our commitment to excellence and responsible business practices, ensuring mutual success and satisfaction across the board. Our strategy focuses on enhancing customer experience, cost-efficiency, and risk management through collaboration with supply chain partners.



### Our priorities in supply chain management



### Investors

Airtel has delivered exceptional value to investors led by its consistent performance by building execution prowess. The Company's market capitalisation has seen appreciation of ~200%, up from ₹2,404 billion in March 2020 to ₹7,273 billion by March 2024. This appreciation underscores our consistent efforts to prioritise operational excellence and invest strategically in strengthening our infrastructure to digital capabilities in order to deliver better customer experience, increase our market share, generate more revenue and thus enhance shareholder wealth. This strategy is backed by our proactive debt management and financial prudence that helps us retain our financial resilience in an evolving market.



By establishing these priorities, we partner with suppliers who enable us to operate efficiently and responsibly, maintaining our competitive edge globally. We also ensure an efficient procurement process and compliance with laws and regulations.

**3,197**  
Total active supplier base in FY 2023-24

**209**  
New Tier I suppliers empanelled

**5**  
New critical Tier I suppliers empanelled

**97%**  
Share out of total procurement spent within India

## Social and Relationship Capital

In FY 2023-24, Airtel engaged with 3,197 Tier I suppliers, of which 3,067 are Indian suppliers and 293 were critical suppliers.

| Supplier category  | No. of suppliers |               | Share (%) of procurement spend |               |
|--|------------------|---------------|--------------------------------|---------------|
|  | India            | Outside India | India                          | Outside India |
| Strategic partners (Key Active Network Equipment Partners) | 7                | 3             | 93                             | 7             |
| Strategic partners (Tower companies)                       | 8                | 0             | 100                            | 0             |
| Critical partners  | 259              | 16            | 98                             | 2             |
| Others   | 2,793            | 111           | 93                             | 7             |
| <b>Grand Total</b>   | <b>3,067</b>     | <b>130</b>    | <b>97</b>                      | <b>3</b>      |

### Embedding ESG in the Supply Chain

We are committed to integrate Environmental, Social, and Governance (ESG) principles into our supply chain as a part of our ongoing sustainability efforts. Sustainability aspects are incorporated into our Supplier selection, procurement criteria, supplier governance, waste management practices and various other procurement related activities. Through these initiatives, we promote open communication, adopt eco-friendly practices, and support the fulfilment of our sustainability goals.

Our ESG strategy as detailed below focuses on development of policies and procedures and implementing initiatives.

#### Sustainability policies

We have established and circulated policies to define the ESG criteria and communicate our expectations to suppliers.

**Code of Conduct:** This document includes the core ethical standards and principles of business integrity that we expect our business partners to maintain. It includes guidance on sustainability and outlines the ESG standards we expect from our suppliers.

**Human Rights policy:** This document includes a framework for suppliers to uphold human Rights and implement practices that align with relevant labour laws, ILO Convention and Modern Slavery Laws.

**Sustainable Procurement Policy:** This document additionally outlines the requirements for sustainability certifications and lay down the framework for engaging with suppliers, conducting assessments and evaluations.

**Supplier Suraksha Policy:** This document outlines the obligations of suppliers engaged with Airtel regarding occupational health and safety (OHS) during their business relations.

**Information security & privacy policy:** This document provides directives to ensure information security and privacy while recommending appropriate security controls for implementation.

### Supplier assessment and evaluation

We evaluate our suppliers on ESG parameters, which encompass environmental practices, labour standards, human rights, ethical behaviour, health and safety, data protection etc., through self-assessment. Further, we have also implemented several steps within our procurement process to promote ESG requirements in value chain, such as:

- Mandatory acceptance of the Code of Conduct and Human Rights Policy before on-boarding new suppliers and further annually reaffirm their commitment for continuation of business.
- Inclusion of references to these policies in supplier contracts and purchase order to ensure alignment with our expectations.
- Performed initial sustainability risk evaluations of key suppliers, taking into account business risk, industry-specific risk, and geographical risk.
- We encourage our suppliers to adhere to international sustainability standards such as ISO 14001, ISO 45001, ISO 27001 etc. Currently, more than 82% of our procurement comes from supplier's having at least one of these ISO certifications.

### Engagement with Suppliers

To foster ESG practices across our Supplier's, our procurement and user departments actively engage in discussion and collaboration with suppliers. Further, we organise training and awareness sessions for suppliers and buyers covering requirements of the Code and Human Rights Policy, sustainability expectations from suppliers, Airtel's ESG Goals/Commitment and National Guidelines on Responsible Business Conduct.

### Waste Management

We adopt the 3R strategy: (1) Reduce resource use, (2) Reuse materials, and (3) Recycle waste to manage and optimise our waste effectively. Further, we ensure compliance to Extended Producer Responsibility norms as applicable.

**90%**

Suppliers (by procurement value) covered through 8 awareness sessions in FY 2023-24

**91%**

Suppliers (by procurement value) self-assessed their compliance in FY 2023-24

## Collaboration with Joint Audit Cooperation (JAC)

Together with 26 other telecom companies, Airtel is a member of the Joint Audit Cooperation (JAC), a non-profit association of telecom operators based in Belgium. This alliance focuses on verifying, developing, and assessing sustainability practices across supplier establishments in the ICT sector. JAC members share resources and best practices to enhance sustainability efforts throughout the global ICT supply chain, ensuring that no commercially sensitive information is exchanged in the process. Alliance members also collaborate to assess, verify, and enhance labour standards, health & safety, environmental practices, ethics, and management systems across the supply chain.

As many as 15 Airtel supplier sites – belonging to 6 suppliers and accounting for 35% of the Company's total procurement value – were audited by JAC members in the reporting period. As part of the audit process governance framework, JAC, monitors the audit plan, ensures timely closure of corrective actions and regularly updates members on progress.

**15**

Airtel supplier sites audited by JAC members



### Channel Partners

We collaborate with rural entrepreneurs through our distribution network in rural areas to create sustainable employment opportunities. By selling our products and services, rural distributors and retailers earn a livelihood. We also support the livelihood of rural distributors, retailers, and the local workforce by providing essential services and products. By expanding our retailer footprint in underserved rural regions, we have enhanced the earnings of rural shop owners.

**6,500+**

Individuals benefitted from formal employment opportunities created by Airtel's Rural Promoter program

**9,000+**

Field Sales Executives employed by Airtel's 4,000 rural distributors

We leverage various digital interventions like Door2door, digital onboarding, FSE tracking & camping, automated SIM tracking mechanism and so on, to enhance governance, efficiency, and productivity of our distribution channels.

Our Quality Management System upholds the highest standards, providing a framework to ensure that our product and service distribution networks meet defined customer service quality benchmarks. Our extensive network of channel partners adheres to these established standards and service expectations throughout the value chain. To maintain customer service quality, we regularly conduct workshops and training programmes for distributors, retailers, and other channel partners, as well as perform routine audits.

During FY 2023-24, we also undertook a nationwide project to simplify our distributor coverage norms and strengthen our partner ecosystem in order to ensure that we have financially viable partners. We also ensured that the territories of operation were clearly demarcated and sized to enable them to earn more and serve our customers better.

